Government of Saskatchewan

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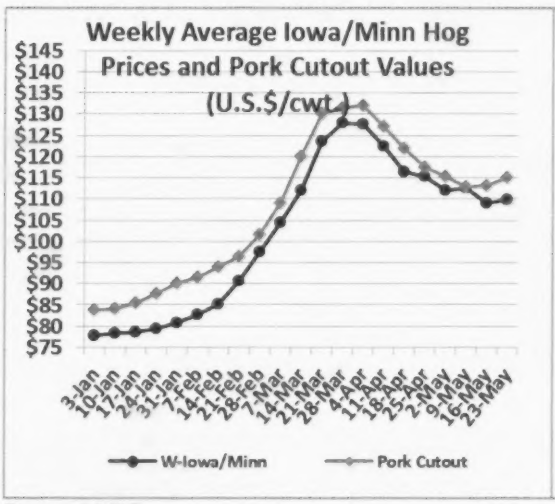
Weekly Hog Report

May 26, 2014

Over the last week there were no new cases of **Porcine Epidemic Diarrhea (PED)** identified in hog barns in Canada. There are currently 58 cases confirmed in hog barns in Ontario, two in Manitoba, one in PEI, and also one in Quebec for a total of 62 PED cases confirmed in hog barns in Canada.

Cash Feeder Hog Prices

Last week North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed. Weighted average cash prices for iso-weans (12lb) were US$72.49 per head, up US$0.47 per head from US$72.02 per head the previous week. Feeders (40lb) were US$114.56 per head, down US$11.61 per head from US$126.17 per head the previous week.



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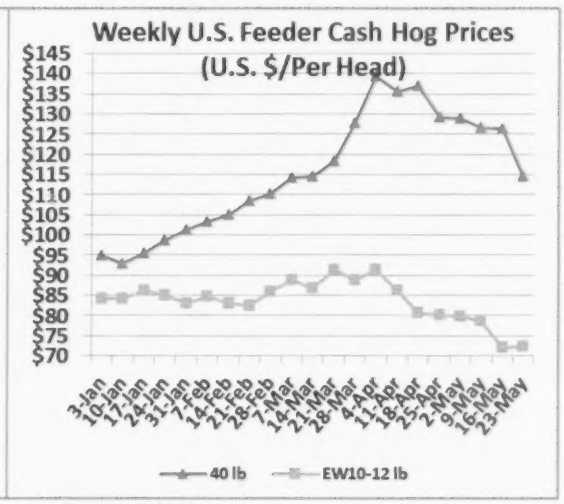


Source: LMIC

Cash Slaughter Weight Hog Prices

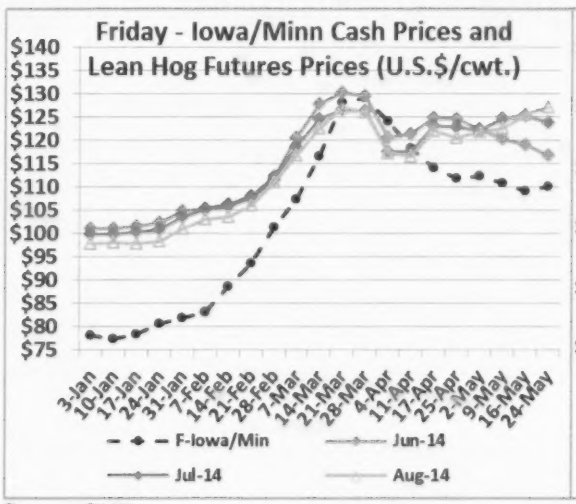
United States daily average cash hog prices were mixed over the week but ended the week higher, week-over-week. The daily average price over the week ranged from US$111.21 per cwt to US$108.39 per cwt. Hog prices (Iowa/Minn) on Friday averaged US$110.03 per cwt, up US$1.13 per cwt or 1.0 per cent from US$108.90 per cwt the previous Friday. The negotiated base price for the week averaged US$109.69 per cwt, up US$0.58 per cwt or 0.5 per cent from US$109.11 per cwt the previous week.

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday May 23, 2014 was $216.24 per ckg, down $2.68 per ckg or 1.2 per cent from $218.92 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $218.36 per ckg, up $0.62 per ckg from the previous weeks' average price of $217.74 per ckg. The Canadian dollar edged lower last week closing the week Friday at 92.00 cents, down 0.11 cents from the previous Friday's close of 92.11 cents.

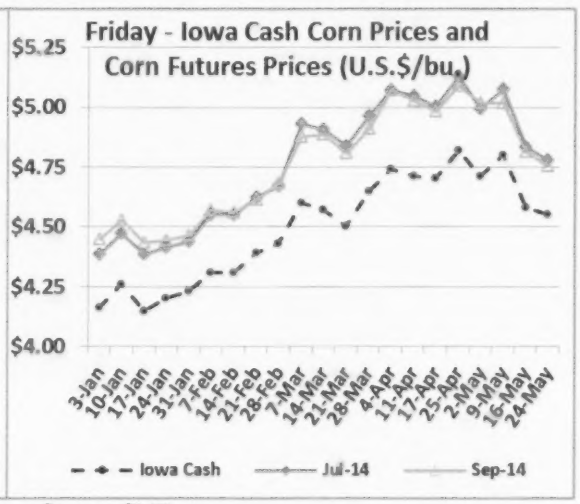
Futures Markets

Lean hog futures prices were mixed last week with the nearby June and July contracts lower while the August contract ended the week higher. The June-to-August 2014 lean hog futures contracts ranged from US$2.075 per cwt lower to US$1.350 per cwt higher. The August contract settled the week US$1.350 per cwt higher at US$126.950 per cwt. The August contract had a record setting week with a settlement price of US$128.725 per cwt on Wednesday. The Friday Iowa/Minn average daily cash price was US$110.03 per cwt, US$6.820 per cwt lower than the June's lean hog futures price.

Prices for other United States nearby commodity futures were lower for corn, wheat, and gold, but higher for soybeans and crude oil, week-over-week.



Source: CME



Source: CME

Iowa cash corn prices and the nearby corn futures were lower over the week. The Iowa cash price on Friday was US$4.55 per bushel, down almost 3 cents from US$4.58 per bushel the previous Friday. The July corn futures contract was down 6 cents to settle Friday at US$4.78 per bushel, while the September contract was down 6 cents to settle Friday at $4.75 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week for the week ending May 24 were estimated at 1.973 million head, down 1.3 per cent from 1.999 million head a week ago, and down 4.8 per cent from 2.072 million head from the same week a year ago. U.S. hogs slaughtered over the last four weeks ending May 24 averaged 1.999 million head, down 3.5 per cent from 2.071 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending May 17, 2014 were estimated at 390,253 head, down 1.4 per cent from 395,839 head the previous week, and down 0.5 per cent from 392,120 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending May 17 were estimated to average 388,622 head, down 1.2 per cent from 393,197 head over the same period a year ago.

Meat Production

U.S. pork production for the week ending May 24 was estimated at 427.0 million lb., down 1.4 per cent from 433.0 million lb. the previous week, but up 0.3 per cent from 425.6 million lb. the same week a year ago. Pork production over the last four weeks ending May 24 was estimated to average 432.5 million lb., up 1.2 per cent from 427.3 million lb. over the same four week period a year ago. Heavier hog weights the last month have increased pork production while hog slaughter numbers have been lower.

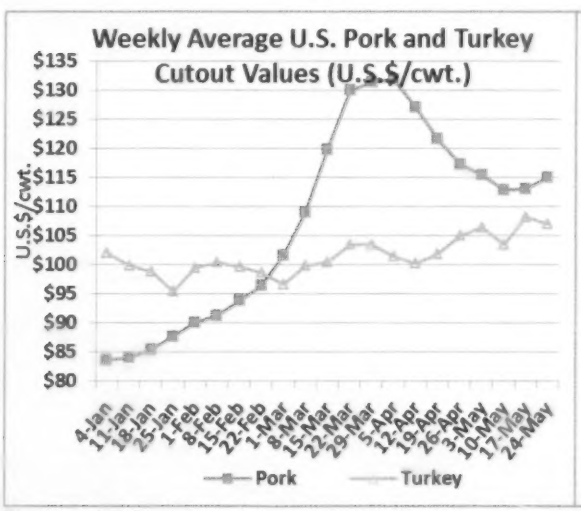
U.S. beef production for the week ending May 24 was estimated at 471.9 million lb., up 1.3 per cent from 465.7 million lb. the previous week, but down 7.8 per cent from 511.8 million lb. over the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending May 17, 2014, was estimated at 1.931 billion lb., down 1.9 per cent from 1.968 billion lb. over the same four weeks a year ago.

Cutout Values

The U.S. pork cutout values for the week ending May 24, 2014 averaged US$115.03 per cwt, up US$1.87 per cwt or 1.7 per cent from US$113.16 per cwt from the previous week, and up 22.3 per cent from US$94.02 per cwt the same week a year ago. Pork cutout values may have stabilized after declining for over a month.

Average beef cutout values (Choice 600-900 lb.) for the week ending May 24 averaged US$230.48 per cwt, up US$5.14 per cwt from US$225.34 per cwt from the previous week, and up 9.5 per cent from US$210.47 per cwt the same week a year ago.



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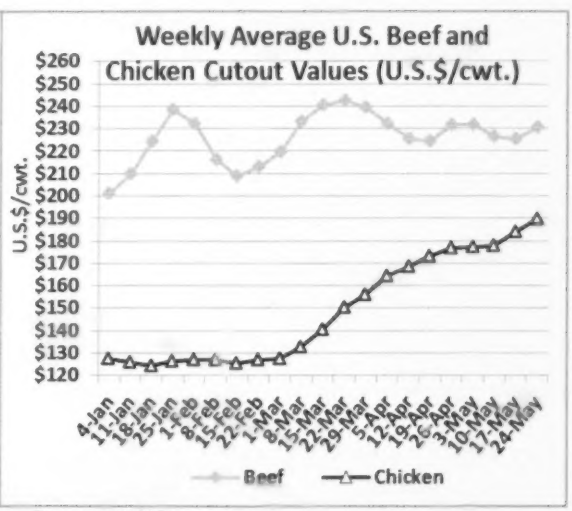

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Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on May 22, 2014. The United States' pork stocks in cold storage totaled 584.1 million lb. on April 30, 2014, up 1.5 per cent from 575.5 million lb. on March 31, 2014, but down 16.7 per cent from the record pork in storage of 701.0 million lb. on April 30, 2013.

The U.S. beef stocks in cold storage totaled 402.3 million lb. on April 30, 2014, down 0.9 per cent from 405.8 million lb. on March 31, 2014, and down 21.1 per cent from 510.1 million lb. on April 30, 2013.

Chicken in cold storage totaled 581.9 million lb. on April 30, 2014, down 1.6 per cent from 591.6 million lb. on March 31, 2014, and down 15.3 per cent from 687.1 million lb. on April 30, 2013.

Turkey in cold storage totaled 375.2 million lb. on April 30, 2014, up 11.5 per cent from 336.4 million lb. on March 31, 2014, but down 18.0 per cent from 457.6 million lb. on April 30, 2013.

U.S. combined pork, beef, chicken and turkey stocks in cold storage totaled 1.943 billion lb. on April 30, 2014, up 1.8 per cent from 1.909 billion lb. on March 31, 2014, but down 17.5 per cent from near record highs of 2.356 billion lb. on April 30, 2013.

United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**April 30, 2013**	**March 31, 2014**	**April 30, 2014**
Pork	700,977	575,539	584,060
Beef	510,129	405,787	402,335
Chicken	687,133	591,569	581,908
Turkey	457,575	336,383	375,198
Total Combined	**2,355,814**	**1,909,278**	**1,943,501**

Source: NASS

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